

## **PCA – Perform Field Audit of Residential Care Facility Cost Report**

**Purpose:** Review the cost report using field audit procedures to determine if reported costs are allowable and reasonable for Residential Care Facilities.

### **Identification of Roles:**

1. Accounting Assistant – schedules field audit with provider and prepares field audit packet for accountants.
2. Staff Accountants – performs field audit procedures to determine reasonable and allowable costs.
3. Senior Accountant – performs field audit procedures and also may perform first reviews.
4. Supervisor – may perform first review of field audit and performs final review of field audit procedures and adjustments made related to the procedures performed.
5. Manager – performs final review of field audit procedures and adjustments made related to the procedures performed.

### **Performance Standards:**

No performance standard in the RFP.

### **Path of Business Procedure:**

- Step 1: Review desk review findings in the provider file and develop draft list of documentation to be requested from provider.
- Step 2: Contact provider via phone and schedule date of field audit.
- Step 3: Send field audit engagement letter to provider including documentation to have available during field audit.
- Step 4: Perform field audit.
- Step 5: Log fieldwork complete in Iowa Medicaid Cost and Rate System (IMCARS).
- Step 6: Make necessary adjustments to reported data to determine allowable costs.
- Step 7: Perform staff review.
- Step 8: Log staff review complete in IMCARS.
- Step 9: Perform final review.
- Step 10: Log final review complete in IMCARS.
- Step 11: Send adjustments to provider for review via mail.
- Step 12: Log date adjustments that were sent in IMCARS.
- Step 13: Review provider comments, if necessary.
- Step 14: Finalize audit.

- Step 15: Process audit report. Includes generating revised rate worksheets to reflect allowable cost based on field audit adjustments in IMCARS.
- Step 16: Send audit report to the Department of Human Services (DHS). Audit report includes re-issued rates.
- Step 17: Log date audit report sent to DHS in IMCARS.
- Step 18: Update revised rates and effective dates into MMIS. This will be done either manually or by uploading an electronic file.

### **Forms/Reports:**

1. Form 470-0030, Financial and Statistical Report.
2. Provider workpapers.
3. Field audit program and workpapers.
4. Audit report.

### **RFP References:**

Section 6.7.1.2c

### **Interfaces:**

Medicaid Management Information System (MMIS)

### **Attachments:**

Form 470-0030 –

[http://www.ime.state.ia.us/docs/NursingFacility\\_V597version.xls](http://www.ime.state.ia.us/docs/NursingFacility_V597version.xls)

Instructions to Form 470-0030 -

<http://www.ime.state.ia.us/docs/CostReportInstructions4.pdf>